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November 7, 2003

By Hand Delivery

Ms. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Room TW-A325
Washington, D.C. 20554

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NOV - 7 2003

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: ***Ex Parte Presentation – CS Docket Nos. 98-120, 00-96***

Dear Ms. Dortch:

In accordance with Section 1.1206 of the Commission's Rules, 47 C.F.R. §1.1206, National Broadcasting Company, Inc. ("NBC") submits this letter to report that on November 6, 2003, Jay Ireland, President, NBC Television Stations; Mike Steib, Business Development Finance; Bob Okun, Vice President, Government Relations and Bill LeBeau, Senior Regulatory Counsel of NBC (collectively, the "NBC Representatives"), met with Chairman Powell, and Jonathan Cody, Legal Advisor. The parties discussed the issues addressed in the attached presentation.

An original and one copy of this *ex parte* letter are being filed with the Secretary's Office as required by Section 1.1206(b)(2) of the Commission's Rules. Please contact the undersigned if there are any questions with respect to this *ex parte* letter.

Very truly yours,

F. William LeBeau

cc: ITS
Chairman Powell
Jonathan Cody

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NBC / Telemundo Multicasting Opportunity

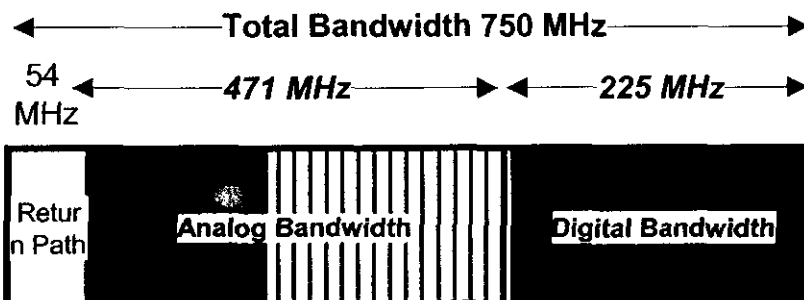
FCC Discussion

November 5, 2003



Broadcasters' Presence on Cable Systems

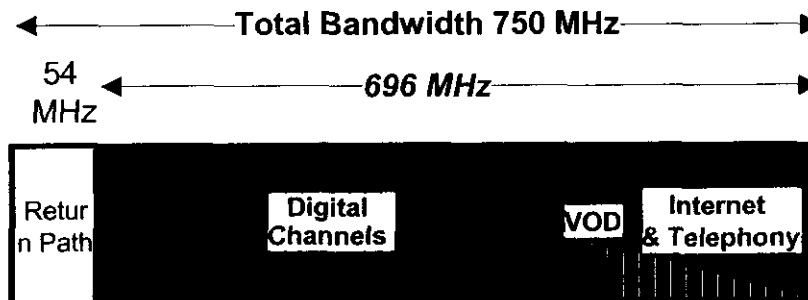
Today: Analog+Digital Cable Systems



	Broadcast ⁽²⁾	Analog Cable Channels	Digital Channels ⁽³⁾	VOD, Data, Telephony
Channels	23	55	~120	NM
% Analog	30%	70%	NM	NM
% Total	12%	28%	60%	NM
MHz	138	333	~60	165
% Analog	30%	70%	NM	NM
% Total	18%	44%	8%	22%

Note: 73% of cable homes are analog-only today

Future: All Digital Cable Systems⁽¹⁾



Broadcast			Digital Channels ⁽³⁾	VOD, Data, Telephony
SD	HD	Multicast		
23	23	138	~700	NM
NM	NM	NM	NM	NM
12	69	69	~350	277
NM	NM	NM	NM	NM
				37%

(1) Some analog capacity likely needed for foreseeable future to service legacy TVs ... bandwidth reserved for analog will decrease over time

(2) NY Example: 23 Broadcast stations

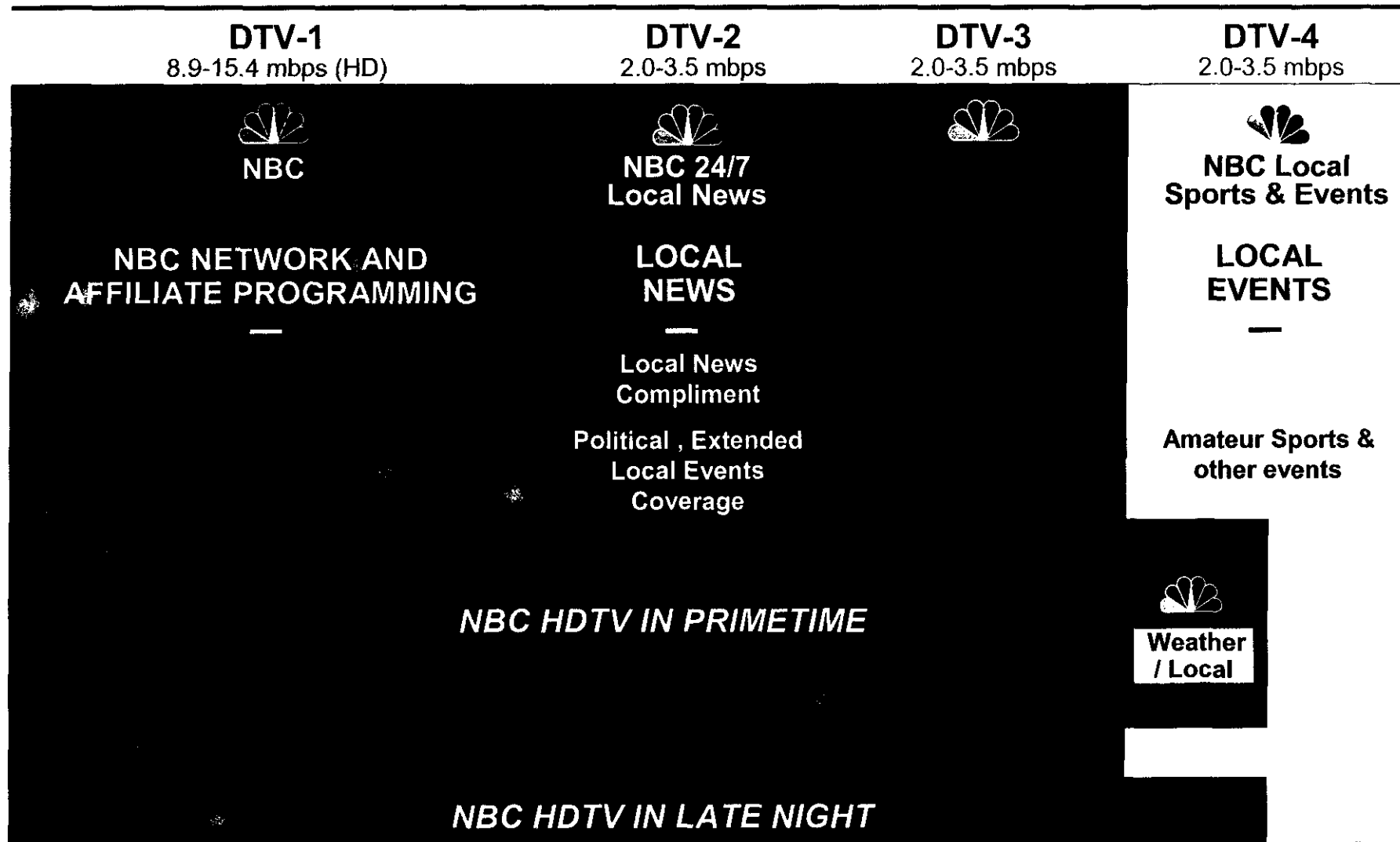
(3) % of digital bandwidth used for channels vs. other services will vary.

19.4 mbps Must-carry Needed to Preserve Broadcast's Relative Presence in Digital Cable World ... Will Be Less Bandwidth Burden on Cable Operators



NBC Digital Broadcast Plan – 2004 Launch

NBC O&O 2004 DIGITAL BROADCAST SUITE

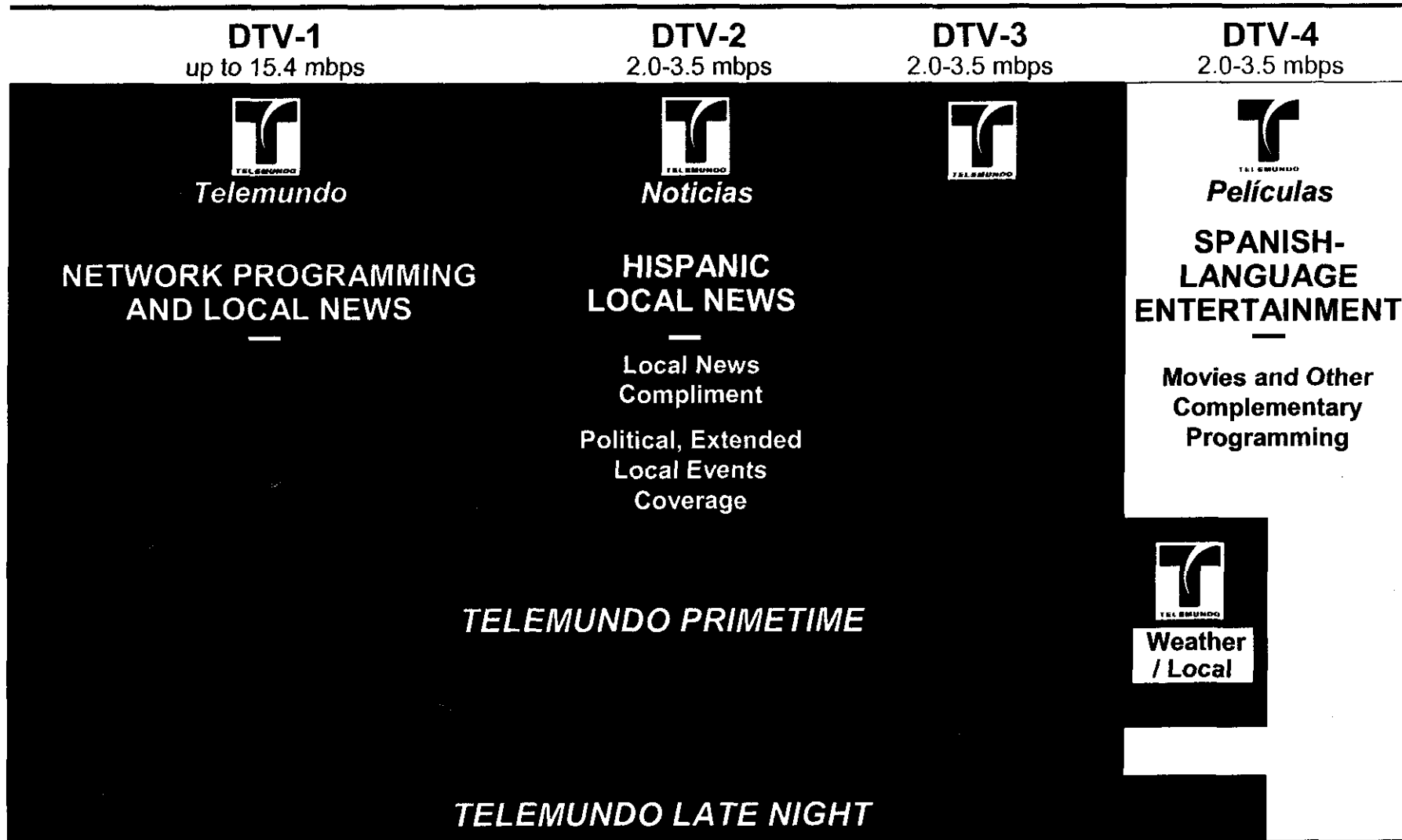


NBC Networks + New Local Content = Value-Added Digital Spectrum Use



Telemundo Digital Broadcast Plan

TELEMUNDO DIGITAL BROADCAST SUITE – *TIMING TBD*



Telemundo O&Os Can Also Capitalize on Digital Spectrum



DTV-3 NBC Weather Network National / Local Balance

	National Content	+	Local Content
Production	<ul style="list-style-type: none">• Produced at NBC News Channel		<ul style="list-style-type: none">• Local segments produced by local news team ... or automated
Brand	<ul style="list-style-type: none">• "NBC Weather Network..."		<ul style="list-style-type: none">• "...brought to you by NBC5."• Local news cross-promo vehicle
Non-Anchored Weather	<ul style="list-style-type: none">• National / regional maps, conditions, forecasts• Key city weather• 50 "weather cam" locations		<ul style="list-style-type: none">• Automated text and radar
Anchored Weather	<ul style="list-style-type: none">• On-air talent ... with carriage		<ul style="list-style-type: none">• Regular local weatherperson reports
Field Reporting, Other	<ul style="list-style-type: none">• Extended News Channel severe weather reporting		<ul style="list-style-type: none">• Extended coverage of local weather emergencies• Other DTV local during primetime bandwidth crunch
Traffic & Alerts	<ul style="list-style-type: none">• Travel advisories, airport closings• Terror alerts		<ul style="list-style-type: none">• Local traffic reports, maps, cams• A.M.B.E.R. alerts

Develop Leading Weather Network with Strong National / Local Balance



Full Digital Carriage in Public Interest

	Direct Consumer Benefits	Other Benefits
More Video Competition	<ul style="list-style-type: none"> Improved alternative to pay cable New channels = new choices More advertising availabilities = more revenue for free TV programming 	<ul style="list-style-type: none"> Business friendly ... more ad supply and competition for advertisers Smaller broadcasters receive equitable carriage treatment More opportunities for programmers
Greater Diversity	<ul style="list-style-type: none"> New over-the-air channels benefit all viewers ... esp. lower-income New channels on cable with distribution not controlled by MSO 	<ul style="list-style-type: none"> Without must-carry, huge hurdles to launching and new broadcast service Congress, court says carriage key to survival
Strengthened Localism	<ul style="list-style-type: none"> More channels for local broadcasters, the standard-bearers of localism Lowers spectrum price-point for start-up local programmers More ad avails to fund local content 	<ul style="list-style-type: none"> Preemptions no longer necessary ... improved affiliate relations New national networks with local affiliate programming
	<ul style="list-style-type: none"> 14 ... 	<ul style="list-style-type: none">
Faster Digital Transition	<ul style="list-style-type: none"> More over-the-air local content will drive consumer adoption of DTV 	<ul style="list-style-type: none"> Broadcasters willing to invest in multicast ahead of DTV switchover if promise of future carriage

Wide-ranging Public Interest Benefits Through 19.4 mbps DTV Must-carry



Complete Carriage Satisfies Constitutional Scrutiny

Must-carry Rationale in 1992

Save Select TV Stations from Marginalization

Promote free sources of video information

Protect video competition, including ALL local stations, from cable gatekeeper

Complete Analog Carriage \leq 33% of Cable System Capacity

Additional Must-carry Rationale in 2003

- Prevent decline of free TV to dangerous levels
- Preclude pay-per-view world – keep programming on free TV
- Promote local TV competition by ensuring equitable digital carriage
- Protect network-affiliate system by saving small-market stations
- Enable free TV to withstand dozens of premium pay services (PVR, VOD, PPV)
- Ensure consumer access to new local content
- Encourage further innovation by hundreds of broadcasters
- Without must-carry, MSOs control distribution of up to 98% of programming on digital systems
- Increase broadcast opportunities for independent programmers
- Create real consumer alternative to pay TV
- Complete DTV carriage \leq 10% of digital cable system capacity

Greater Government Interest And Less Private Burden For Full Carriage Now Than 1992



Law's Letter and Intent Compels Complete Carriage

- **Statutory Language.**
 - 47 USC §325(b)(1): “Primary video” excludes secondary, “non-program” video, not other program streams
 - **Relevant FCC Regulations Define Primary To Mean “Non-Secondary”**
 - spectrum allocation (primary v. secondary services); 47 CFR § 2.104
 - television service (primary full-power v. secondary LPTV stations)
 - **Established FCC Interpretation Trumps Other Dictionary Meanings**
 - **No Other Definition Consistent with §325(b)(3)(B), Current Practice**
 - “Entirety of the program schedule” compels full DTV carriage -- legislative history cannot trump clear statutory language
 - Cable routinely carries multiple streams of analog programming -- e.g., split screen updates of multiple football/basketball games
- **Statutory Purpose.**
 - Complete carriage necessary to Congressional goals of preserving free TV, promoting diverse outlets of information and protecting video competition

Full Digital Carriage Both Best Policy and Statutory Obligation